



## 2 Best Growth Stocks to Buy Today for Medium-Risk Investors

### Description

Investors always strive for more positive returns, but it won't be easy in 2023, given the challenging environment. The inflation rate cooled to 6.8% in November 2022, although it's still way above the Bank of Canada's 2% target. Another interest rate hike looms when the policymakers meet on January 26, 2023.

However, you can achieve decent gains over the long term if you can accept fluctuations in investment value but not aim for the highest possible returns. The best [growth stocks](#) for medium-risk investors today are **Northland Power** ([TSX:NPI](#)) and **Brookfield Renewable Partners** ([TSX:BEP.UN](#)).

### Partnership model

Global power producer Northland Power recently gave up 49% of its ownership interest in the Hai Long offshore wind project to Gentari International Renewables. The two companies want to establish a broader strategic partnership and promote further growth in Taiwan's offshore wind industry. The \$9.35 billion, Toronto-based utility firm will remain the project's lead constructor and operator.

According to its president and chief executive officer (CEO) Mike Crawley, the significant milestone represents the first transaction under Northland's partnership model. He said, "This partnership is further evidence of the global interest in developing renewable energy projects to aid global decarbonization efforts and the transition to low carbon economies."

Management's vision is for Northland to be a top clean and green developer, constructor, owner, and operator of sustainable infrastructure assets. It expects the current three gigawatts (GW) total gross capacity to double to more than 6.5 GW by 2027 with the completion of several growth projects.

At \$38.15 per share, Northland's trailing one-year price return and total gain in 3.01 years are 10.15% and 54.40%. It also pays a 3.18% dividend.

## Long-term growth strategy

Brookfield Renewable Partners is a pure-play renewable energy platform and an affiliate of **Brookfield Asset Management**, a leading global alternative asset manager. Besides North America, this \$23.75 billion Canadian company also operates in South America, Europe, and Asia. Its portfolio consists of hydroelectric, solar, wind, and storage facilities.

Management aims to deliver between 12% and 15% total returns and 5% to 9% annual distribution growth. As of this writing, the stock is up 6% year to date (\$36.34 per share). If you invest today, the dividend offer is 4.85%. Brookfield's strong contract profile, best-in-class assets, and renewable utility capacity across multiple technologies align with its long-term growth strategy.

According to Connor Teskey, CEO of Brookfield Renewable, 2022 has already been a record year. The net income after three quarters reached US\$78 million compared to the US\$99 million net loss in the same period in 2021. In the third quarter of 2022, funds from operations (FFO) increased 15% to US\$243 million versus the third quarter of 2021.

Teskey said, "We are a real assets business that performs positively in an inflationary environment. Our cash flows remain stable and growing given they are supported by long-term contracts with creditworthy offtakes that are indexed to inflation." He wants to emphasize that apart from the record levels of growth, the underlying business continues to perform well and is backed by high-quality cash flows.

## Far better returns

Northland Power and Brookfield Renewable Partners aren't immune from [market volatility](#) or headwinds in 2023. However, both growth stocks won't suffer from very sharp fluctuations in the short term. Moreover, you can expect far better returns in the long term than more risky investments.

### CATEGORY

1. Dividend Stocks
2. Investing

### TICKERS GLOBAL

1. TSX:BEP.UN (Brookfield Renewable Partners L.P.)
2. TSX:NPI (Northland Power Inc.)

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